

**Commonwealth Credit Union  
Annual Shareholder's Meeting Minutes  
March 21, 2023**

The Annual Shareholder's Meeting of Commonwealth Credit Union was held via WebEx. Randy Fawns, Chairperson, called the meeting to order at 6:03 p.m., with a quorum in attendance.

The following Directors were present: Kenny Blackwell, Rob Ellis, Randy Fawns, Mary Foster, Regina Grubbs, Karen Harbin, Kay Jones, Donnie Rodgers II, Lt. Colonel Kelly Smith, and Joe Brewer, Associate Director.

Mr. Fawns asked Allison Harp if all attendees were verified. Ms. Harp stated that all were verified. The total number of members in attendance were 140.

**Election**

Mr. Fawns advised the first item on the agenda would be the election for Board vacancies. Mr. Fawns stated there were two vacancies. He noted there was no ballot for the election. *David Young made a motion that Regina Grubbs and Randy Fawns be elected to the Board to serve four-year terms. Steve Bellas seconded the motion and it carried.*

**Committee Reports**

Mr. Fawns presented the Committee Reports and the 2022 Annual Meeting Minutes for approval.

Mr. Fawns presented the Chair's report.

As Commonwealth Credit Union is a not-for-profit financial cooperative, we're dedicated to our members' financial success. Commonwealth Credit Union wouldn't be what it is and couldn't provide the extraordinary service you've come to know and trust without our amazing team members. Serving you is our passion.

We've been fortunate to celebrate multiple milestones throughout the years, but 2022 will stand out as the year we reached \$2 billion in assets! There are nearly 5,000 credit unions nationwide, and only 200 have reached \$2 billion in assets. What does this mean for you? It means you can trust that your money and accounts are safe and that you're banking with a financially sound credit union. We're growing responsibly, ensuring that through our collaborative efforts, you continue to have access to innovative products, services, and resources to help you live life to the fullest.

In addition to our asset size, our footprint also expanded last year. In June, we officially broke ground on our permanent branch home in Owenton. It was a highly anticipated event, and we are grateful for the community's open arms. We are incredibly thankful to the Owen County Officials for reaching out and realizing that better banking was just up the road. Owenton deserves options, and we're excited about the opportunity to fill that need.

With growth also comes renewal. As you may know, we reopened our Louisville Road Branch early last year, as well as our new Louisville Road Admin Building. The Admin building now holds more than 70 percent of our team members,

improving efficiency and collaboration - allowing us to serve you better now and in the future.

We strive to be an Employer of Choice that values communication, collaboration, and care for others. We recently heard the news that we've been voted as one of the Best Places to Work in Kentucky again this year, marking our fifth consecutive appearance on this prestigious list. We were also once again ranked as one of Kentucky's Healthiest Employers, thanks to our Wellness Committee. Their work to encourage healthy habits for their fellow team members throughout the year is remarkable.

Our commitment to our communities has been recognized nationally, as we have been rated as Kentucky's number 1 Best-In-State Credit Union by Forbes Magazine for the second year in a row, making the list four times. Locally, our hometown of Frankfort voted us as their Favorite Credit Union, Favorite Place to Work, and Favorite Mortgage Provider in the State-Journal's Frankfort Faves contest. Our Lawrenceburg Branch defended its title as the Anderson News' Best "Bank" in Lawrenceburg, a title they've held for over a decade. Plus, for the first time in Shelbyville, a bank did not win The Shelbyville Sentinel's title for Best Bank. Instead, that honor went to our very own Shelbyville Branch!

Each decision we make is guided by our Common Purpose, to "Better Lives through our Passion to Serve." From product and service offerings to our team members. Whether you've been a member for 30 days or 30 years, we hope you've seen at least a glimpse of how we live our purpose. Thank you for your trust and loyalty as we continue to blaze the path as one of Kentucky's leading financial institutions!

Karen Harbin, President, presented the President's report.

As we continue to settle into 2023, it's important to reflect on the past year and celebrate another year of serving you and the communities we call home. Our consistency and commitment to excellence means that our service goes above and beyond inside our branches and out into our communities. We will always strive to instill confidence in the safety of your hard-earned funds.

With the recent collapse of Silicon Valley Bank and Signature Bank, it's understandable to have concerns. We know that hearing the words "bank collapse" can be frightening. You can rest assured, however, that these banks operated very differently than Commonwealth Credit Union, and the collapse certainly emphasizes the importance of being able to trust your financial institution.

The majority of our accounts are consumer-based, and small commercial accounts make up less than 2% of our total membership. Our liquidity position remains strong, and our cash levels are closely managed and monitored daily. To give you further peace of mind, credit union members have never lost a penny of insured savings at a federally insured credit union.

Our credit union's growth has been strategically planned so that we can meet the needs of our members today and in the future. We're pleased to announce the addition of two new branches to our Commonwealth family. In a few months, our

new Shelbyville West location will open to serve a rapidly growing area in Shelby County. Adding this second location allows us to reach more people than ever before and impact the community in more profound ways.

Our new Nicholasville branch will open late in 2023 and will help us expand our footprint in Jessamine County. With a solid member base, this new location was not just a need we identified but one requested by those members who call that community home.

Beyond new buildings, we've also been making continued advancements in other areas. A few years ago, we completely overhauled and revamped our Business Accounts. We're the right fit to get the job done while still caring about the people. This team has seen tremendous success in both the Business and Commercial area. In 2022, we added new business account services, like Money Market Accounts, with more on the horizon for 2023.

As we have all seen, cybersecurity has never been more critical. With cybercrime rising, our dedication and commitment to keeping our members and their money safe are paramount. Our Information Systems team has battled numerous text scams and, all along the way, kept security as our top priority. Fraudsters are getting sophisticated, but the good news is that CCU stays on the cutting edge of technology. We have multiple layers of security to detect malicious activity to ensure the safety of our members' data.

Finally, we couldn't talk about our achievements without mentioning the Board of Directors overarching commitment to our communities and charitable giving initiatives. Giving back to the community is a cornerstone of our Commonwealth Credit Union identity. We focus our giving in areas that directly influence the financial well-being of our members. Through a strategic, intentional approach to corporate giving and social responsibility, we directly support and partner with organizations that will use our funds to better the lives of those living or working in the counties in which we operate. The primary focus of our involvement in charitable activities is directly related to improving the lives of women, children, and families and the belief that Health is the First Step To Wealth.

While a lot has changed since we first opened our doors in 1951, what hasn't changed is our commitment to the communities we serve. We will continue to provide an extraordinary experience to our current and prospective members on their journey toward a successful financial future. Thank you for allowing us to CU Differently.

*Steve Bellas made a motion to accept the reports as presented, with a second by David Young. The motion carried.*

## **New Business**

Karen Harbin, President, addressed the questions submitted prior to the annual meeting and through the Question & Answer panel.

Ms. Harbin thanked the members for joining the meeting. She proceeded to answer the below questions submitted by members.

1. We had several questions about our business accounts, specifically, what business services do you offer, and do you pay interest? First of all, thank you for your interest in our business accounts. We have a full-service business accounts team. Along with business checking and business credit cards, we currently offer new business certificates at competitive rates. Our Business Money Market Accounts pay the same rate as our consumer money market. Business Share accounts used as collateral for share-secured loans also receive interest on the deposit account. We'd love to have someone from our Business Services or Commercial Lending area sit down and discuss your specific needs.
2. "I have multiple accounts. Is there any way I can easily switch between my accounts in digital banking?" This was actually something we improved when we did our digital banking upgrade. If your social security number is listed as primary or joint, you should be able to see all your personal accounts and transfer between them. We'd love to help you with this. Please contact us or stop by your local branch, and we can take a look at how your accounts are set up and see if we can get this resolved for you.
3. We've received two questions about branching, one pertaining to the status of our Nicholasville Branch and the other asking about potential branches in Eastern Kentucky. First, we will address the Nicholasville Branch. We're thrilled you're excited about the Nicholasville Branch, too! If everything goes as planned, we're on target to open by the 3rd quarter of 2023. This branch will be a full-service Branch with drive-up access to a Live Video Teller with 24-hour ATM access. We encourage you to watch our website and social media channels for updates.

We realize we have numerous members in the Eastern part of the state, and while we don't have plans at this point, we are working with our regulators to bring better banking options to Eastern Kentucky. Commonwealth is currently a state-chartered credit union, and under this charter, we have the ability to serve 25 counties in Kentucky. Unfortunately, at this time, counties in Eastern Kentucky are not in our service area.

4. "I don't like the virtual AI computer that answers all the calls. It doesn't know how to direct a person to the appropriate area. Are there any plans to improve this system?" We are aware that we've had some issues with the new AI system, and we definitely never wanted to lose the personal touch. In fact, the reason we added this was to provide a better personal touch. At a time when we were struggling with staffing during and after the pandemic, we wanted a way to funnel easy questions and needs through AI so that we could spend more time with members who had in-depth questions or needs. Our focus in 2023 will be to find a balance between technology and personal touch. We truly appreciate our members' patience throughout this whole process.
5. "Recently, I've seen a lot of talk in the news about Phishing Attacks. What exactly are these, and what are you doing to protect my account?" Phishing is an attempt by fraudsters to gain access to your personal information. Phishing attacks usually originate using public information or information left behind on old Internet systems.

Technology is a part of our daily lives, and, unfortunately, phishing attacks are part of the world that we live in too.

We've recently added several layers of security, including a second level of validation with a PIN number when transferring money through Digital Banking. We know this creates another step you did not have to complete before, but we chose to go this route because PIN numbers are tied to the phone number we have on file for you and cannot be redirected.

Remember, a phishing attack is an attempt to get your personal information. It does not mean that someone has your personal information. The easiest way to verify if a text message is legitimate is just to ask us. You can stop by any of our branches or call our number as displayed on our website (502-564-4775). If you are dubious about the legitimacy of a message, do not call the number, click on links, or respond to the contact information.

Mr. Fawns thanked the participants for their questions and asked if there were additional questions, to please contact Karen Harbin at [kharbin@cwcu.org](mailto:kharbin@cwcu.org) or to call her directly at the office.

Karen Harbin announced the winners of the door prizes of one \$50 gift card, one \$75 gift card and our grand prize, one \$150 gift card. The winner of the \$50 gift card was Shaneka Stewart, the winner of the \$75 gift card was Sheri Solzman, and the grand prize winner of the \$150 gift card was Christine Ray. Congratulations to the winners!

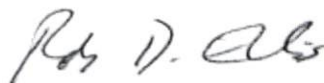
***With no further business to discuss, David Young made a motion to adjourn with a second by Steve Bellas. The motion carried and the meeting adjourned at 6:38 p.m.***

*Prepared by:*



*Allison Erwin-Harp, Director of Presidential/Volunteer Affairs*

*Respectfully Submitted by:*



10 Apr, 2023 8:35:28 AM EDT

*Rob Ellis, Secretary/Treasurer*

*Approved by:*



*Randy Fawns, Chairperson of the Board*